



Hargreaves



Net Zero Transition Plan

MAY 2024

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Background

The Hargreaves Group is a market leader in land regeneration, property and infrastructure development. We deliver a wide range of environmental and industrial services across the UK, South East Asia and South Africa.

Services are provided through a number of subsidiary trading entities including:

- Hargreaves (UK) Services Ltd
- Hargreaves Industrial Services Ltd
- Blackwell Earthmoving Ltd
- Hargreaves Industrial Services Hong Kong Ltd
- Hargreaves Land Ltd
- Hargreaves Environmental Services Ltd



For more information please visit: hsgplc.co.uk



Destination Net Zero

The United Nations Intergovernmental Panel on Climate Change (IPCC) defines net zero carbon as the point when “anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period”. In other words, net zero takes place when the emissions we create are balanced by steps we take to remove them from the atmosphere.

Reducing emissions to net zero is a journey

Over time new solutions will become available and the path will become clearer. This plan is a snapshot of what we intend now. We will use a process of continual improvement to refine our course into the future. Application of this plan outside of the UK depends on the local availability of renewable energy sources and alternative fuel vehicles.



Targets



Net Zero
Corporate Activities by 2030



Net Zero
Cars and Vans by 2035



Net Zero
Plant by 2040

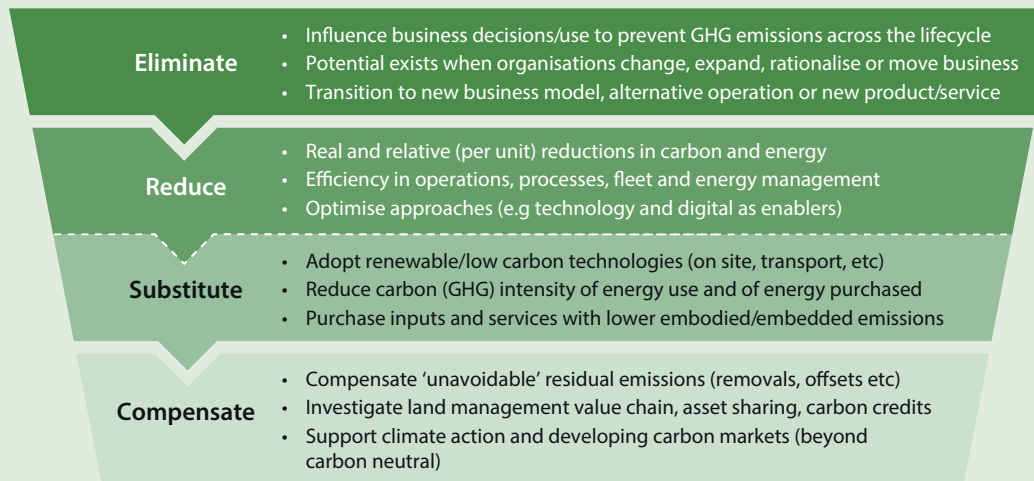


Net Zero
HGV by 2050



Net Zero
Maintenance,
Construction and
Infrastructure by 2050

Greenhouse Gas Management Hierarchy



Source: IEMA Greenhouse Gas Management Hierarchy, published 2009, updated 2020.



HS2 rail delivery point



Pioneering Sustainability

This is Hargreaves Group's plan to deliver a net zero carbon footprint by 2050. Given the Group's heritage in mining, this will reflect a remarkable transition from an historically carbon-intensive operation to a net zero one.

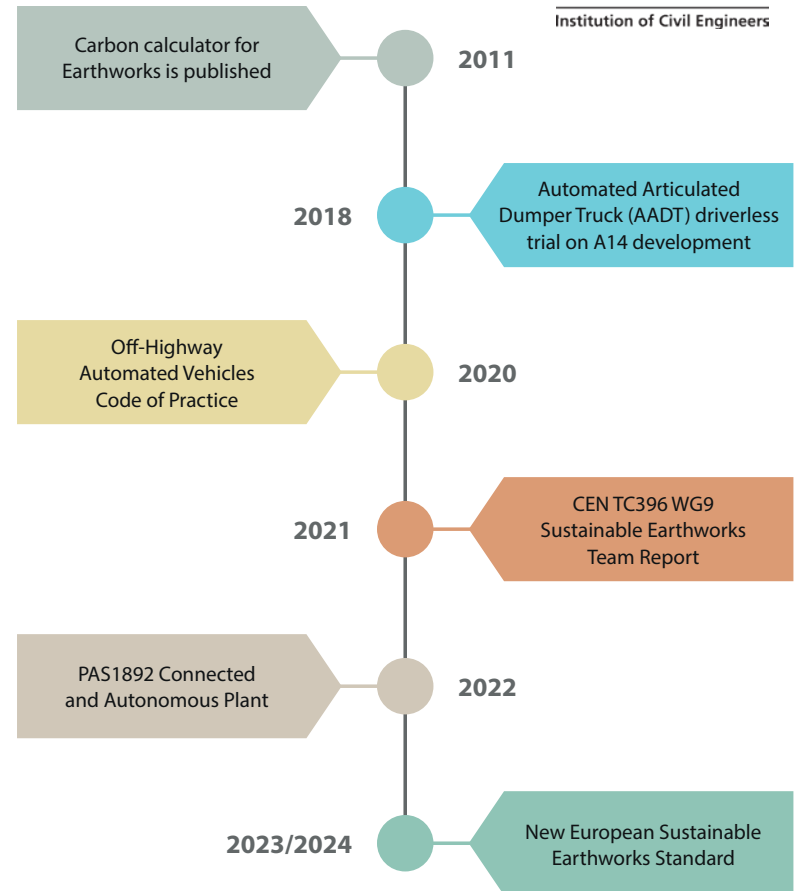
We shall achieve this through the activities of our specially appointed ESG Working Group including thought leadership, digitalisation and leading innovation in the sectors we operate.

We have championed sustainability in earthworks for over a decade

In 2011, with UK National Highways, we contributed to a University of Cambridge study into carbon emissions in earthworks that saw the creation of a carbon calculator for earthworks published in the Institution of Civil Engineers (ICE) Proceedings.

We collaborated with our European peers for 9 years in preparing the 2019 European Earthworks Standard EN16907. After the publication of the standard, we continued to represent the UK to prepare a European Code of Practice for Sustainable Earthworks, published in 2023.

The Code of Practice puts Hargreaves at the forefront of delivering sustainable infrastructure projects.





Restored and developed mine site - Blindwells, Edinburgh

Environmental, Social & Governance

ESG A Rating

Our ESG A rating was independently assessed and awarded by Integrum ESG, via our Broker, Singer Capital Markets.

This rating was calculated based on the breakdown from areas of governance, sustainability, and impact. An A rating indicates a very good overall approach to ensuring a company acts in line with expected standards for environmental, social and governance matters.



CSR Gold Accreditation

Our Corporate Social Responsibility award was granted in 2022 via an independent assessor, CSR Accreditation.

This accreditation is an effective way to benchmark what a business does with regard to corporate social responsibility.

It is a process in which we collated, measured and reported on the full range of our organisation's socially responsible activities and provides a roadmap for planning future activity. The accreditation required us to report on areas such as energy performance, recycling, staff engagement, health and well-being, community engagement and supporting local and national charities, all of which confirms the positive activity the company is involved in.

Our accreditation lasts for three years which enables this process to be ongoing to ensure we remain vigilant and proactive to business and legislative changes going forward. Additionally, for every accreditation gained, a tree is planted to help offset the environmental impact of the business.



Emissions Categories

Different parts of our operation can move towards Net Zero at different speeds depending on a variety of factors including equipment lifespan. For this reason, we have split out our operation into 4 components and prepared a Net Zero Plan for each one on the following pages.

Corporate Emissions



This includes the carbon footprints of the head office and satellite offices and deals with initiatives such as behaviour change, eradication of gas heating and conversion to renewable energy sources.

Plant Emissions



This includes all heavy earth-moving equipment and principally relies on the conversion to electric power and zero emission fuel sources.

Vehicle Emissions



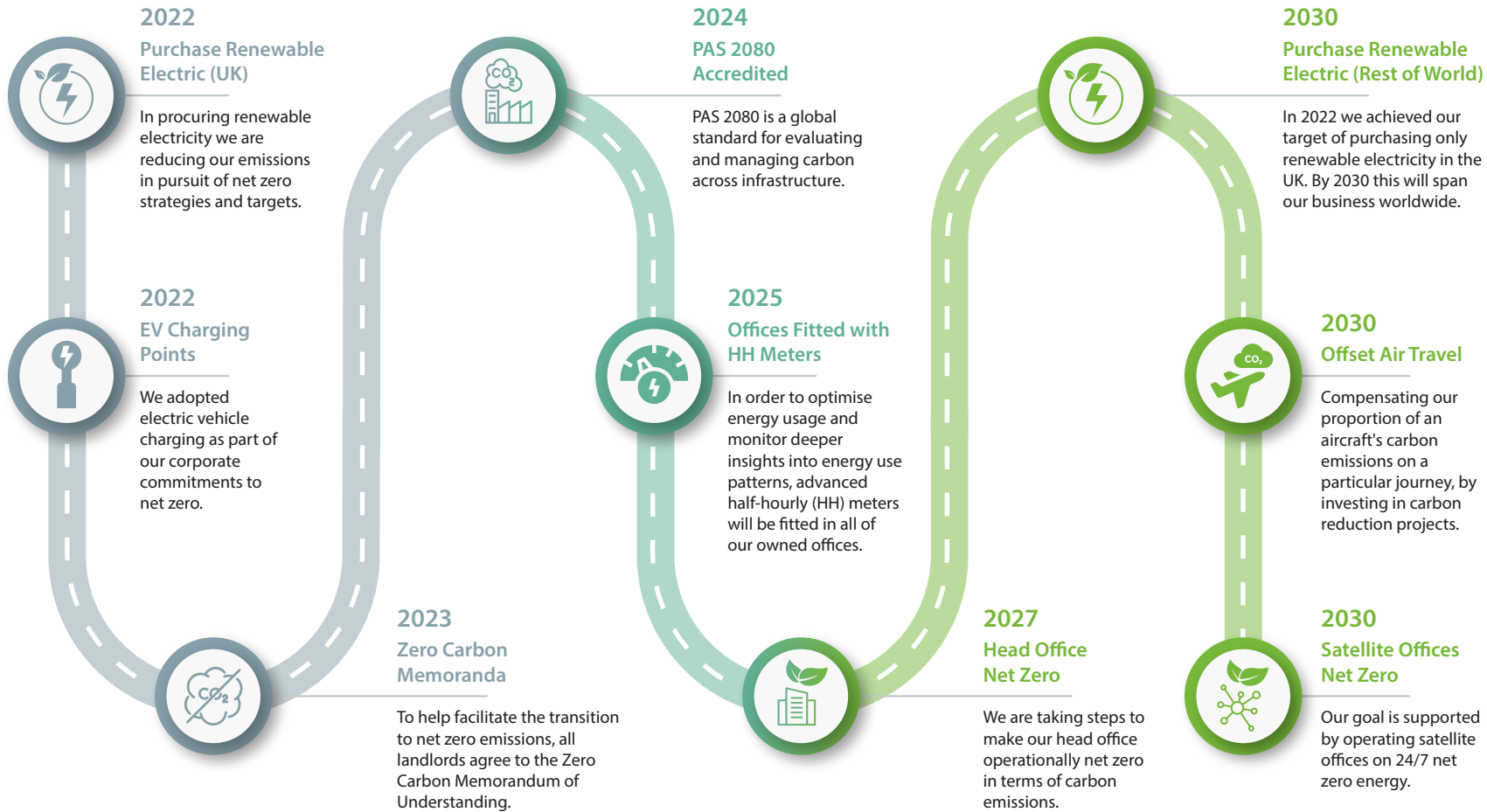
This includes all vehicles other than plant, including cars, vans and HGV. It relies on conversion to electric power and alternative power sources.

Maintenance, Construction and Infrastructure Emissions

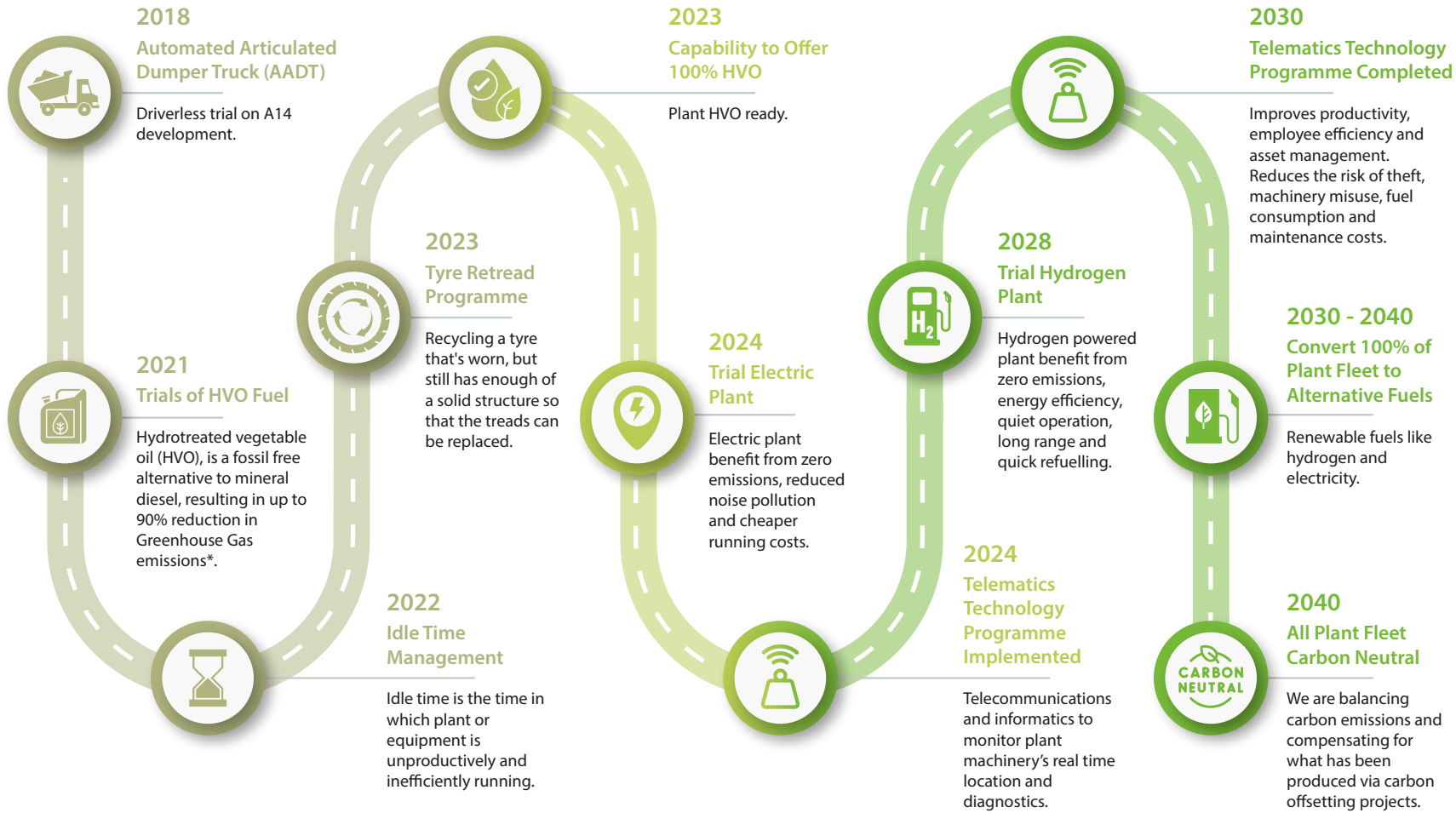


This area deals with the sustainable supply chain, zero carbon construction techniques & raw materials and zero carbon power sources for plant and site cabins.

Corporate Emissions Roadmap



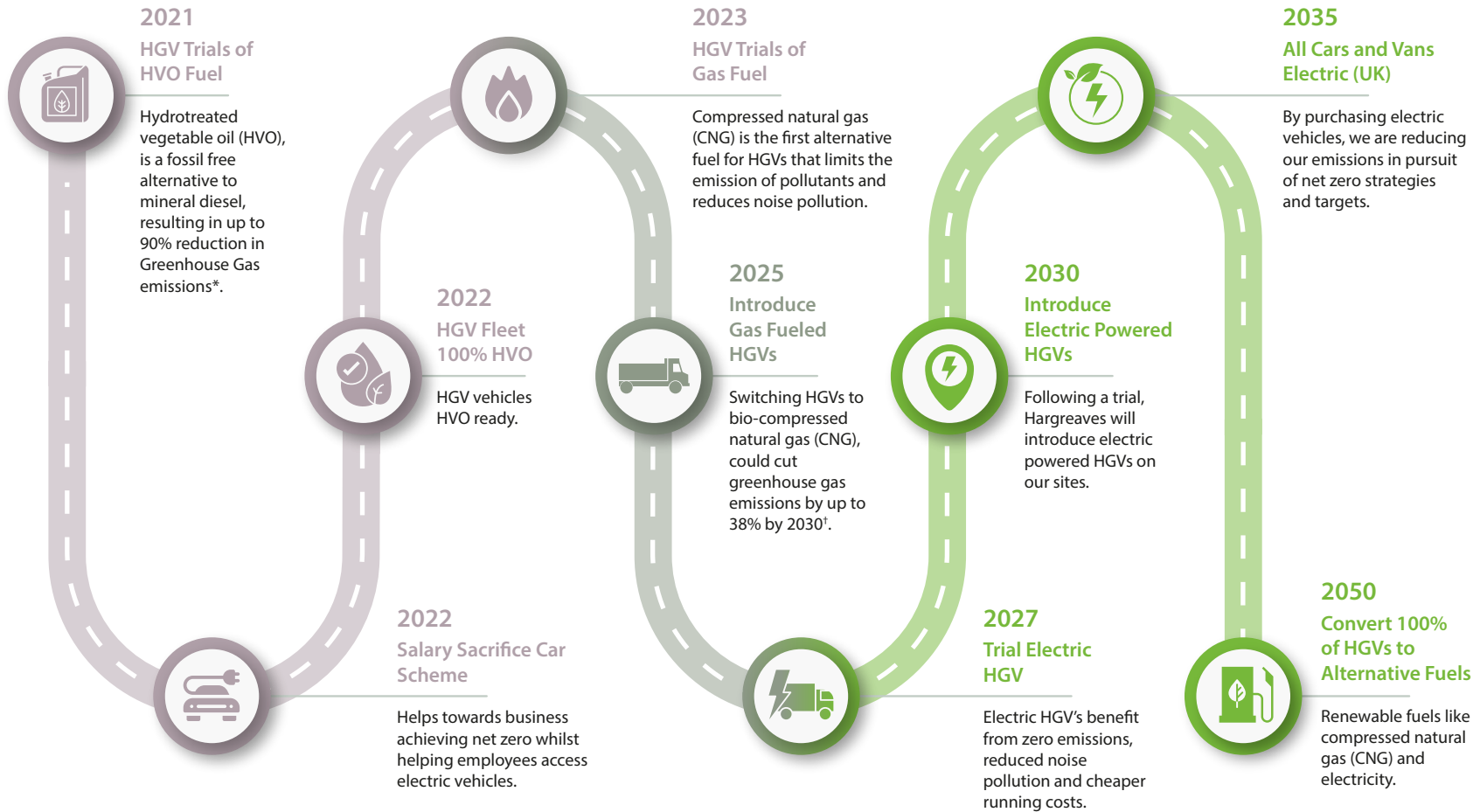
Plant Emissions Roadmap



*Source: Based on UK Government GHG scope 1 conversion factors per litre fuel.



Vehicle Emissions Roadmap

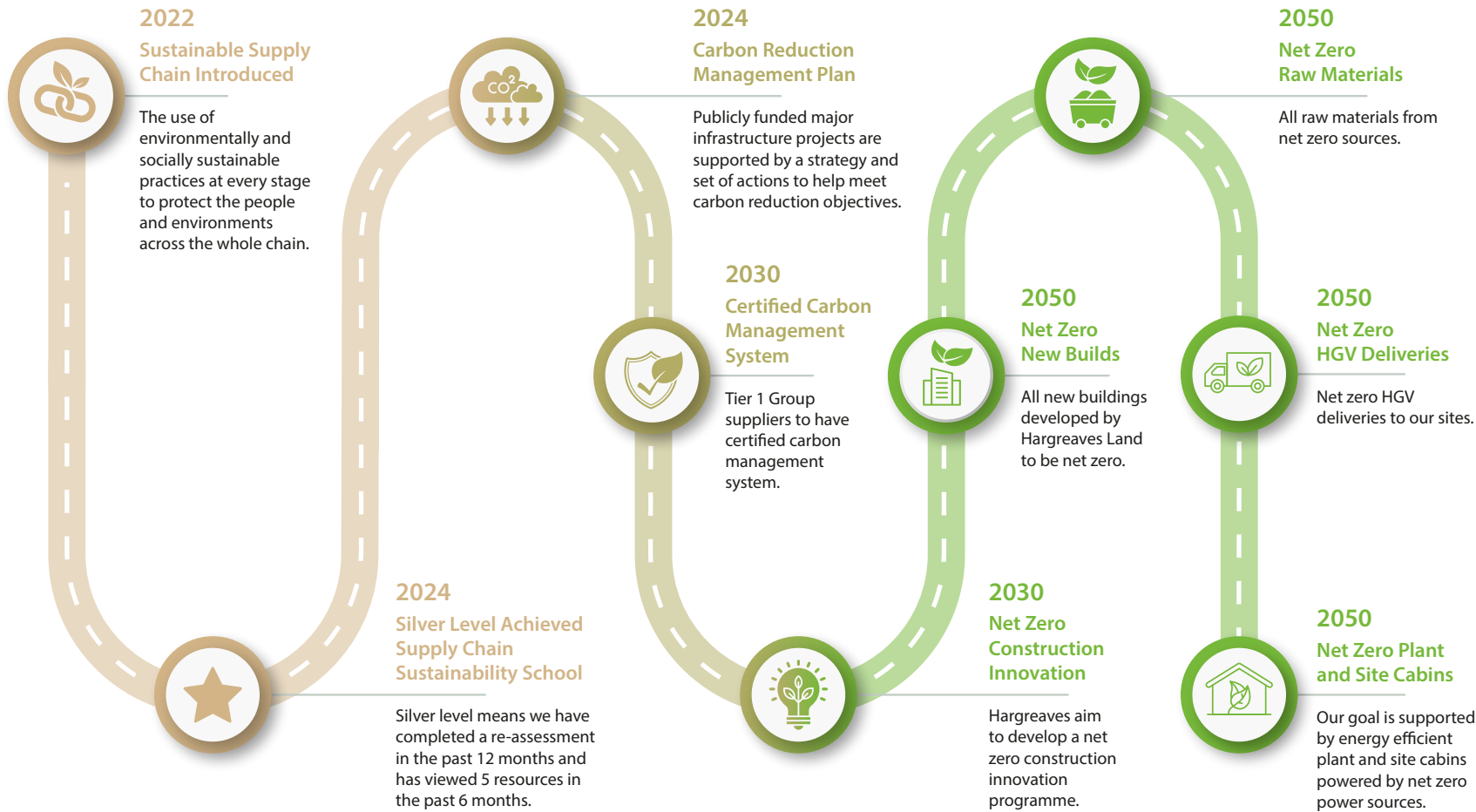


*Source: Based on UK Government GHG scope 1 conversion factors per litre fuel.

† Source: The Future Role of Gas in Transport report, as featured in Fleet News.



Maintenance, Construction & Infrastructure Emissions Roadmap



Carbon Innovation 8 Point Plan

In addition to the activities outlined in the roadmaps, as a Group we shall deliver the following:

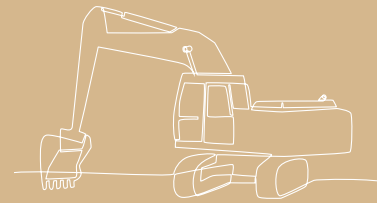
Plant 2 million trees by 2035



Enable the installation of renewable energy schemes on our land through wind/battery/solar/minewater heating



Chair the National Highways/LTC Sustainable Earthworks Programme



Support the development of European Standards for Sustainable Earthworks



Provide clients with low carbon solutions and improve whole life cycle



Adopt as an absolute minimum BREEAM building standard



Deliver energy and environmental impact awareness training for staff



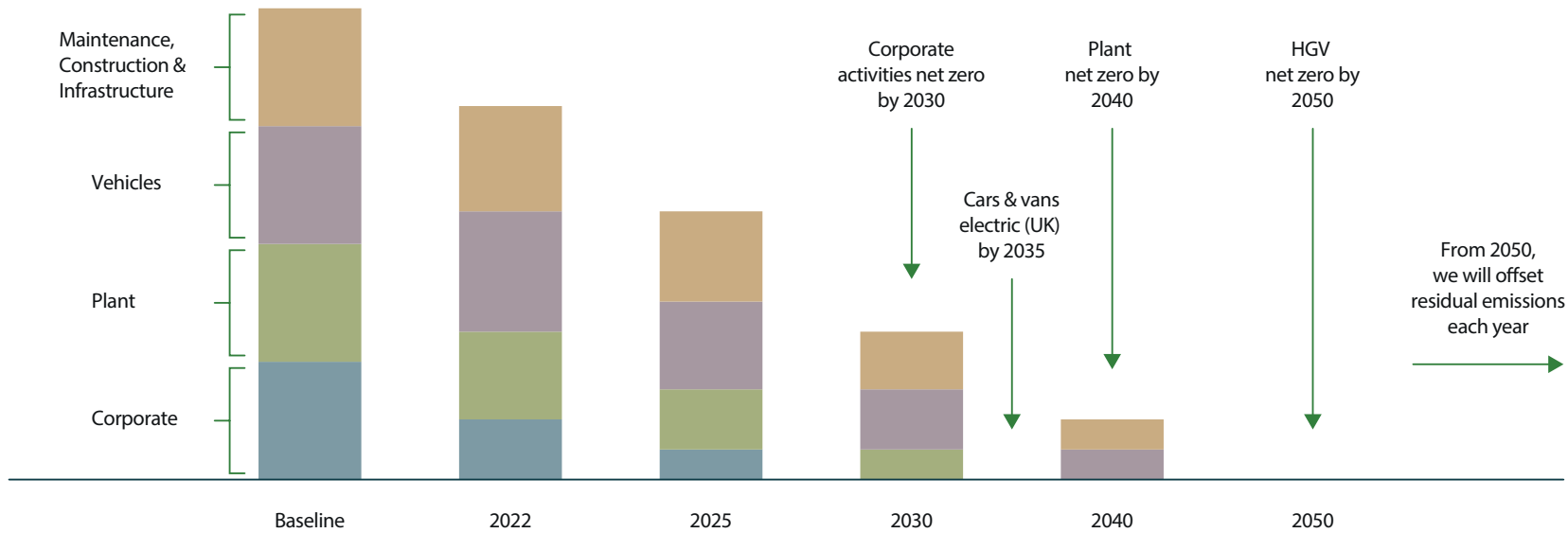
Implement plans for Waste Management/Energy Management and Sustainability Sourcing



Indicative Summary of Carbon Reductions

Destination net zero

How the carbon reduction actions in this plan will contribute to net zero from 2030.





Hargreaves



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This Net Zero Transition Plan is not legally binding. The Plan will evolve and develop as technologies advance. The Plan will be reviewed annually and all changes approved by the Board.